

SALES TRANSACTIONS FOR TRANSFER OF COMMODITIES

ABSTRACT OF THE DISCLOSURE

5 A method for transacting transfers of commodities involves observing the price of
a commodity at several observation points over a period of time. In one embodiment, a
maximum price is specified. For each observation point, the maximum price is selected
in the event the observed price is greater than the maximum price, or the observed price is
selected in the event the observed price is less than the maximum price. The price for a
10 quantity of the commodity then is calculated based on the average of the selected prices
and a premium. Individual contracts can be aggregated to reach more acceptable trading
quantities and intervals, enabling participation of a derivative hedging products service
provider and intermediate parties such as resellers and reseller services companies.
Aggregation can be carried out manually or automatically, and configured to support
15 anonymity of various parties in the transaction chain.

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